

# CHILD NUTRITION AND FOOD DISTRIBUTION DIVISION MANAGEMENT BULLETIN

No. 99-103

TO:	Sponsors of the National School Lunch Program and School Breakfast Program County Superintendent of Schools Diocesan Superintendents of Schools	ISSUE DATE: March 1999
ATTENTION:	Food Service Directors	
FROM:	School Nutrition Programs	
SUBJECT:	Child Nutrition Reauthorization Act of 1998 (Public Law 105-336)	

This management bulletin provides an overview of California's implementation of the Child Nutrition Reauthorization Act of 1998. Public Law (P.L.) 105-336 took effect on October 1, 1998, and contains a number of provisions that affect the administration of the National School Lunch Program (NSLP), the School Breakfast Program (SBP), and other school nutrition programs.

## SNACKS IN AFTER-SCHOOL PROGRAMS

Section 108 of P.L. 105-336 authorizes reimbursement for meal supplements, or snacks, served to students up to age 18, and to mentally or physically disabled students regardless of age. The snacks must be served as part of an after-school program administered by a school participating in the NSLP, and the after-school program must (1) be designed primarily to provide care for students after the end of their school day, and (2) have an educational or enrichment purpose.

Division staff are currently working out the details of how this new portion of the NSLP will be administered and how claims will be processed. See Management Bulletin 99-102 (March 1999) for more detailed guidance on this subject and for information on how sponsors can apply for snack participation.

## SINGLE AGREEMENTS/CLAIMS

Section 102(d) of P.L. 105-336 establishes two new requirements for state agencies that administer child nutrition programs:

- **A single state/school agreement** for all programs operated by a school food authority (SFA) must be available for the sponsor's use. Programs covered by the single agreement may include the NSLP, the SBP, the Special Milk Program, the Child Care Food Program, the Summer Food Service Program, and the Donated Food Assistance Program. The U.S. Department of Agriculture (USDA) waived the single agreement requirement until 1999/2000 because agreements for the 1998/99 school year were already signed when P.L. 105-336 took effect.
- There must be **a single reimbursement form** for claiming meals under all of the programs operated by an SFA. USDA granted states a two-year waiver for implementation of the single reimbursement claim form.

In October 1998, the Division established a workgroup to develop a single agreement. The group's efforts have focused on the complex challenge of developing an agreement that will meet the requirements of all the programs involved. Several school district food service directors participated in this work group. The development of the single agreement is on schedule to meet USDA's implementation date of July 1, 1999.

## **ROUNDING DOWN OF REIMBURSEMENT RATES**

Section 103(b) of P.L. 105-336 requires that all adjustments to reimbursement rates under Section 4 and Section 11 of the National School Lunch Act shall be rounded down to the nearest whole cent. This will take effect on July 1, 1999, with the reimbursement rates for the 1999/2000 school year.

Section 4 and Section 11 rates will each be rounded down, and the total reimbursement per meal will be the resulting sum of the two rounded figures. For example:

Section 4:	\$0.2065	Rounded to:	\$0.20
Section 11:	<u>\$1.5465</u>	Rounded to:	<u>\$1.54</u>
Total:	\$1.7530	Total:	\$1.74

As this example shows, the effect of rounding the Section 4 and Section 11 rates, as opposed to rounding the total, can make a difference in per-meal reimbursements and may add up to a significant difference in an SFA's total reimbursement for meals served.

In subsequent years, the rates will be recalculated based on the previous year's unrounded rates for both Section 4 and Section 11 payments. The resulting rates will then be rounded down.

## **UNIVERSAL BREAKFAST PILOTS**

Section 109 of P.L. 105-336 authorizes the establishment of universal breakfast pilots in six SFAs. The pilot projects would provide free breakfasts to all students without regard for family income for three years, and would evaluate the effects on participation, academic achievement, attendance, and dietary intake.

While P.L. 105-336 authorized the universal breakfast pilots, it did not provide funding for them. The White House has announced plans to request \$13 million to fund the pilots in the 1999/2000 federal budget. We anticipate intense nationwide competition for the six approved pilot programs. There is a great deal of interest in California, and we plan to be proactive on this issue. If the pilots are funded in the next federal budget, information on how to apply for the grants will probably be available in late 1999 or early 2000.

## **MANDATORY FOOD SAFETY INSPECTIONS**

Section 102(c) of P.L. 105-336 requires schools in the NSLP or SBP to obtain food-safety inspections from appropriate state or local agencies at least once a year. Schools that must comply with state or local requirements for food-safety inspections, even if those inspections are required less often than once a year, are exempt from this requirement.

There is no state requirement for food-safety inspections in California, although inspections may be mandated by some county health agencies. In certain localities, schools may submit to voluntary health and safety inspections; in such cases, voluntary inspections performed at least once a year will constitute compliance with this section of P.L. 105-336.

The Division has formed a Food-Safety Task Force that includes school representatives, California Department of Health Services staff, food vendors, and representatives of professional organizations, such as the California School Food Service Association and the California Association of School Business Officials. The task force is currently working on two related issues: (1) the food-safety inspections required by P.L. 105-336, and (2) recent changes to the California Uniform Retail Food Facilities Law (CURFFL) requiring that each food facility have at least one employee who has passed a food-safety certification examination by January 1, 2000. In conjunction with the task force's efforts, we will soon be issuing management bulletins on the health inspections mandated by P.L. 105-336 and the food-safety certification provision of CURFFL.

## **ALTERNATE CLAIMING PROVISION 2**

Section 103(a) of P.L. 105-336 changes the length of the alternate claiming Provision 2 cycle to four years (including the initial base year). Formerly, Provision 2 schools could operate for a three-year period (including the base year), with a possible two-year extension and subsequent five-year extensions. Now, Provision 2 schools will operate for four years (including the base year), with possible four-year extensions. Schools already participating in Provision 2 will continue under their current cycle. At the end of that cycle, if they apply for an extension and are approved, the new cycle will be for four years. Any school implementing Provision 2 on or after October 1, 1998, will be approved for a four-year cycle.

## **“BUY AMERICAN”**

Section 104(d) of P.L. 105-336 requires SFAs in the contiguous states to purchase, to the maximum extent practicable, only food products that are produced in the United States. In the case of processed foods, the foods must be processed in the United States “substantially using agricultural commodities that are produced in the United States.”

For the purpose of this provision, “substantially” means that over 51 percent of the processed food comes from American products. This is a change from the definition formerly used by USDA. Previously, “food products that are produced in the United States” were defined as products canned and labeled in the U.S. but containing as much as 100 percent of foreign ingredients. Under P.L. 105-336, food products must be canned and labeled in the U.S. and, to the maximum extent practicable, contain at least 51 percent ingredients that are domestically grown.

If you have any questions about any of these provisions of P.L. 105-336, please call your School Nutrition Program Analyst at (916) 323-1580 or at the toll free number (800) 952-5609.

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